

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Extended Study Session

September 27, 2004
6:00 p.m.

Mercer Room, Winters House
Bellevue, Washington

PRESENT: Mayor Marshall and Councilmembers Balducci, Chelminiak, Davidson, and Lee¹

ABSENT: Deputy Mayor Noble and Councilmember Degginger

1. Executive Session

Mayor Marshall opened the meeting at 6:02 p.m. and announced recess to Executive Session for approximately one hour to discuss one item of property disposition, one item of property acquisition, and one item of pending litigation.

The meeting resumed at 7:30 p.m. with Mayor Marshall presiding.

City Manager Steve Sarkozy announced the hiring of Mario Treviño as the City's new Fire Chief beginning October 25.

2. Renaming of Paxton House

Parks and Community Services Director Patrick Foran presented staff's recommendation to rename the Paxton House the McDowell House after John and Ella McDowell, who built the Craftsman-style home in 1918. The house is located at 11660 Main Street and is the new headquarters for the Eastside Heritage Center. The grand opening ceremony is scheduled for 11:00 a.m. on Saturday, October 2.

Mr. Foran said the Parks and Community Services Board voted in favor of the name "McDowell House" on September 14.

- ➡ Dr. Davidson moved to approve the name "McDowell House" for the Parks facility located at 11660 Main Street. Mr. Chelminiak seconded the motion.
- ➡ The motion to approve the name "McDowell House" for the Parks facility located at 11660 Main Street carried by a vote of 4-0.

¹ Mr. Lee was absent from the meeting between 7:30 and 8:45 p.m.

3. Budget Workshop

(a) 2005-2006 General Fund Budget

Mr. Sarkozy opened the budget discussion and reviewed the outcome of Council's August 3 Budget Retreat regarding the 2005-2006 General Fund Budget:

General concurrence with adding the following:

- Eastgate Subarea Plan
- Critical Areas Notebook
- Fire Inspection services.

General concurrence to make the following reductions:

- No maintenance and operations (M&O) inflationary increase in 2005
- Departmental reductions.

General concurrence with adding the following new revenue sources:

- Fire inspection services fee
- False alarms fee increase
- Cable TV utility tax of 4.8 percent (needed in part to offset decreasing telephone utility taxes).

Mr. Chelminiak recalled Council's interest during the August 3 budget retreat in discussing low-impact programs or services that could be eliminated entirely in order to balance the budget. Mr. Sarkozy noted the tables provided in section 4 of the meeting packet listing programs and services for each department, whether the service is considered a core or non-core service, and whether or not the program or service is mandatory or discretionary.

Dr. Davidson would like to see the full budget before making individual decisions such as determining whether to proceed with the cable television utility tax versus program/service reductions.

Mayor Marshall commented that the City's adopted plans and policies provide the foundation for building the budget. Cities are responding to the need to identify new revenue sources due in part to changing technologies, and many cities have higher cable television utility taxes. The City Manager and Council prefer to not increase property taxes, and both have worked to trim the budget and staff over time. Mrs. Marshall feels it is time to consider new revenue sources.

Responding to Council, Mr. Sarkozy said staff will provide a series of possible programmatic budget cuts for Council review and consideration.

Responding to Ms. Balducci, Deputy City Manager Ed Oberg clarified several budget items.

Mr. Sarkozy distributed and reviewed a handout depicting projected changes in full-time equivalent (FTE) positions through 2008.

Mr. Sarkozy reviewed a second handout itemizing risks and exposures to the budget including economic uncertainty, B&O tax apportionment, streamlined sales tax approach, increasing health care costs, future municipal court costs, the cost of implementing the Cultural Compass plan, and labor negotiation settlements.

Staff reviewed handout #3, an August 2004 update of a telecommunications tax revenue forecast originally prepared for the City in August 2002. The report presents forecasted revenues for basic local access, local toll, long distance, business data and Internet, mobile voice, and mobile data services. Telecommunications taxes were stable in the past but are now decreasing due to changing technologies and the advent of broadband services.

Staff reviewed handout #4, a comparison of Bellevue's actual property tax rates against the maximum allowable levy from 1995 to 2004.

(b) 2005-2011 Capital Investment Program (CIP) Plan

Staff recalled previous direction from Council during the August 3 Budget Retreat regarding the 2005-2011 CIP Plan:

Restore the following proposed reductions:

- NIS-1, West Lake Hills NIS Improvements – 145th Place SE (\$1.5 million)
- NEP-1, Neighborhood Enhancement Program (\$250,000 per year).

Restore the following proposed deferrals:

- PW-R-118, SE 16th Street Improvements (2005 instead of deferring to 2006)
- PW-W/B-70, 140th Avenue NE Pathway Improvements (2005 instead of 2007).

Delete or reprogram the following:

- CD-18, Meydenbauer Marina to Downtown Link (\$1.2 million)
- G-37, Council Contingency (\$2.5 million)

General concurrence with new additions including the following:

- Bel-Red Corridor Study – High-Capacity Transit (\$982,000)
- NE 10th Street (\$1 million net)
- NIS Future Areas (\$250,000 per year).

Handout #5 summarizes the City Manager's recommended 2005-2011 CIP Plan budget. This balanced CIP Plan budget incorporates Council direction as outlined above and leaves approximately \$29 million in unallocated funds from 2009-2011. The bottom half of handout #5 lists projects and programs proposed for funding with the \$29 million.

Staff distributed and discussed handout #6 listing the following future potential projects and investments: Boeing/Lakewood park site planning and development, Downtown Park development, parks and open space acquisitions, transportation projects, City Hall technology needs, Downtown Implementation Plan park acquisitions, Meydenbauer Bay development, Surrey Downs park development, municipal court costs, Eastgate annexation, neighborhood

preservation strategy, Cultural Compass implementation, Tuckman/Civic Center proposal, Pacific Northwest Ballet, KidQuest museum, and performing arts facility.

Staff responded to questions of clarification regarding the CIP Plan budget. Council and staff briefly discussed the feasibility of presenting a new park bond issue in the near future.

At 9:00 p.m., Mayor Marshall declared recess to Executive Session for approximately 45 minutes to discuss potential property acquisition.

The meeting was adjourned at 9:45 p.m.

Myrna L. Basich
City Clerk

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